GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:3684
ANSWERED ON:17.04.2008
CARTEL OF STEEL COMPANIES
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Will the Minister of STEEL be pleased to state:

(a) the corresponding costs of various inputs vis-Ã -vis the selling price of steel and operating profit of the ten biggest steel companies in India during each of the last three years;

(b) whether the Government is aware of any cartel formed by steel producing companies to keep the prices high;

(c) if so, the details thereof; and

(d) the action taken by the Government to probe into the matter?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA)

(a) The inputs cost, sales of products & services and profit after tax of the top ten Indian steel companies, as per their Annual Reports, for the years 2006-07, 2005-06 and 2004-05 are given company-wise in Annexure-I. It may however, be noted that the selling price of various steel products by the steel companies is determined both through long-term agreements as well as retail market prices. Since the long-term agreement is a contract price, it varies between the companies and also between the customers.Ministry of Steel monitors the retail market price of representative steel products in various retail markets. The price movement of the nine representative categories of steel products, in April this year and preceding 3 years, as observed in Mumbai retail market is given in Annexure-II.

(b) The Steel prices are determined by market factors such as demand and supply situation, international price as per landed cost of imports and the cost of input materials. However, no evidence on cartelisation by steel companies in determining the steel prices has been brought to the notice of the Ministry of Steel.

(c)&(d): Does not arise in view of the (b) above.